

Senate Study Bill 3073 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

A BILL FOR

1 An Act relating to the IowaCare program, and providing for
2 repeals.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWACARE PROGRAM UPDATE

1
2
3 Section 1. Section 249J.5, subsections 1, 2, 7, 8, and 9,
4 Code 2009, are amended to read as follows:

5 1. Except as otherwise provided in this chapter, an
6 individual nineteen through sixty-four years of age shall
7 be eligible solely for the expansion population benefits
8 described in this chapter when provided through the expansion
9 population provider network as described in this chapter, if
10 the individual meets all of the following conditions:

11 a. The individual is not eligible for coverage under the
12 medical assistance program ~~in effect on or after April 1, 2005.~~

13 b. The individual has a family income at or below two
14 hundred percent of the federal poverty level as defined by the
15 most recently revised poverty income guidelines published by
16 the United States department of health and human services.

17 c. The individual fulfills all other conditions of
18 participation for the expansion population described in this
19 chapter, including requirements relating to personal financial
20 responsibility.

21 2. Individuals otherwise eligible solely for family
22 planning benefits authorized under the medical assistance
23 family planning services waiver, ~~effective January 1, 2005,~~
24 ~~as described in 2004 Iowa Acts, chapter 1175, section 116,~~
25 ~~subsection 8,~~ may also be eligible for expansion population
26 benefits provided through the expansion population provider
27 network.

28 ~~7. The department shall contract with the county general~~
29 ~~assistance directors to perform intake functions for the~~
30 ~~expansion population, but only at the discretion of the~~
31 ~~individual county general assistance director.~~

32 ~~8.~~ 7. If the department provides intake services at the
33 location of a provider included in the expansion population
34 provider network, the department shall consider subcontracting
35 with local nonprofit agencies to promote greater understanding

1 between providers, under the medical assistance program and
2 included in the expansion population provider network, and
3 their recipients and members.

4 ~~9.~~ 8. Following initial enrollment, an expansion
5 population member shall reenroll annually by the last day of
6 the month preceding the month in which the expansion population
7 member initially enrolled. The department may provide a
8 process for automatic reenrollment of expansion population
9 members.

10 Sec. 2. Section 249J.6, subsection 1, unnumbered paragraph
11 1, Code 2009, is amended to read as follows:

12 ~~Beginning July 1, 2005, the~~ The expansion population shall
13 be eligible for all of the following expansion population
14 services:

15 Sec. 3. Section 249J.6, subsection 2, Code 2009, is amended
16 to read as follows:

17 2. *a.* Each expansion population member ~~who enrolls~~
18 ~~or reenrolls in the expansion population on or after~~
19 ~~January 31, 2007, shall participate, in conjunction with~~
20 ~~receiving~~ receive a single comprehensive medical examination
21 ~~and completing a personal health improvement plan, in a~~
22 ~~health risk assessment coordinated by a health consortium~~
23 ~~representing providers, consumers, and medical education~~
24 ~~institutions~~ annually. ~~The criteria for the~~ department may
25 implement a web-based health risk assessment, ~~the comprehensive~~
26 ~~medical examination, and the personal health improvement plan~~
27 ~~shall be developed and applied in a manner that takes into~~
28 ~~consideration cultural variations that may exist within the~~
29 ~~expansion population~~ for expansion population members that
30 may include facilitation, if deemed to be cost-effective to
31 the program. ~~The health risk assessment shall utilize a~~
32 ~~gender-specific approach. In developing the queries unique to~~
33 ~~women, a clinical advisory team shall be utilized that includes~~
34 ~~women's health professionals including but not limited to those~~
35 ~~with specialties in obstetrics and gynecology, endocrinology,~~

1 ~~mental health, behavioral health, oncology, cardiology, and~~
2 ~~rheumatology.~~

3 ~~b. The health risk assessment shall be a web-based~~
4 ~~electronic system capable of capturing and integrating basic~~
5 ~~data to provide an individualized personal health improvement~~
6 ~~plan for each expansion population member. The health risk~~
7 ~~assessment shall provide a preliminary diagnosis of current and~~
8 ~~prospective health conditions and recommendations for improving~~
9 ~~health conditions with an individualized wellness program. The~~
10 ~~health risk assessment shall be made available to the expansion~~
11 ~~population member and the provider specified in paragraph~~
12 ~~"c" who performs the comprehensive medical examination and~~
13 ~~provides the individualized personal health improvement plan.~~

14 ~~c. The single comprehensive medical examination and~~
15 ~~personal health improvement plan may be provided by an~~
16 ~~expansion population provider network physician, advanced~~
17 ~~registered nurse practitioner, or physician assistant or any~~
18 ~~other physician, advanced registered nurse practitioner, or~~
19 ~~physician assistant, available to any full benefit recipient~~
20 ~~including but not limited to such providers available through~~
21 ~~a free clinic or rural health clinic under a contract with~~
22 ~~the department to provide these services, through federally~~
23 ~~qualified health centers that employ a physician, or through~~
24 ~~any other nonprofit agency qualified or deemed to be qualified~~
25 ~~by the department to perform these services.~~

26 ~~d. Following completion of an initial health risk~~
27 ~~assessment, comprehensive medical examination, and personal~~
28 ~~health improvement plan, an expansion population member may~~
29 ~~complete subsequent assessments, examinations, or plans with~~
30 ~~the recommendation and approval of a provider specified in~~
31 ~~paragraph "c".~~

32 ~~e. b. Refusal of an expansion population member to~~
33 ~~participate in a health risk assessment, comprehensive medical~~
34 ~~examination, or personal health improvement plan or any health~~
35 ~~risk assessment implemented by the department, shall not be a~~

1 basis for ineligibility for or disenrollment from the expansion
2 population.

3 Sec. 4. Section 249J.6, subsection 3, Code 2009, is amended
4 to read as follows:

5 3. ~~Beginning no later than July 1, 2006, expansion~~
6 Expansion population members shall be provided all of the
7 following:

8 ~~a. Access to a pharmacy assistance clearinghouse program~~
9 ~~to match expansion population members with free or discounted~~
10 ~~prescription drug programs provided by the pharmaceutical~~
11 ~~industry.~~

12 ~~b. Access~~ access to a medical information hotline,
13 accessible twenty-four hours per day, seven days per week,
14 to assist expansion population members in making appropriate
15 choices about the use of emergency room and other health care
16 services.

17 Sec. 5. Section 249J.7, subsection 1, Code 2009, is amended
18 to read as follows:

19 1. Expansion population members shall only be eligible
20 to receive expansion population services through a provider
21 included in the expansion population provider network. Except
22 as otherwise provided in this chapter, the expansion population
23 provider network shall be limited to a publicly owned acute
24 care teaching hospital located in a county with a population
25 over three hundred fifty thousand, and the university of Iowa
26 hospitals and clinics, ~~and the state hospitals for persons with~~
27 ~~mental illness designated pursuant to section 226.1 with the~~
28 ~~exception of the programs at such state hospitals for persons~~
29 ~~with mental illness that provide substance abuse treatment,~~
30 ~~serve gero-psychiatric patients, or treat sexually violent~~
31 ~~predators.~~

32 Sec. 6. Section 249J.8, Code 2009, is amended to read as
33 follows:

34 **249J.8 Expansion population members — financial**
35 **participation.**

1 1. Each expansion population member whose family income
2 exceeds one hundred percent of the federal poverty level as
3 defined by the most recently revised poverty income guidelines
4 published by the United States department of health and human
5 services shall pay a monthly premium not to exceed one-twelfth
6 of five percent of the member's annual family income. Each
7 expansion population member whose family income is equal to or
8 less than one hundred percent of the federal poverty level as
9 defined by the most recently revised poverty income guidelines
10 published by the United States department of health and human
11 services shall not be subject to payment of a monthly premium.
12 All premiums shall be paid ~~on the last day~~ prior to the first
13 day of the month of coverage. The department shall deduct the
14 amount of any monthly premiums paid by an expansion population
15 member for benefits under the healthy and well kids in Iowa
16 program when computing the amount of monthly premiums owed
17 under this subsection. An expansion population member shall
18 ~~pay~~ respond to the monthly premium notices either through
19 timely payment or a request for a hardship exemption during the
20 entire period of the member's enrollment. Regardless of the
21 length of enrollment, the member is subject to payment of the
22 premium for a minimum of four consecutive months. However, an
23 expansion population member who complies with the requirement
24 of payment of the premium for a minimum of four consecutive
25 months during a consecutive twelve-month period of enrollment
26 shall be deemed to have complied with this requirement for
27 the subsequent consecutive twelve-month period of enrollment
28 and shall only be subject to payment of the monthly premium
29 on a month-by-month basis. Timely payment of premiums,
30 including any arrearages accrued from prior enrollment, is
31 a condition of receiving any expansion population services.
32 The payment to and acceptance by an automated case management
33 system or the department of the premium required under this
34 subsection shall not automatically confer initial or continuing
35 program eligibility on an individual. A premium paid to and

1 accepted by the department's premium payment process that is
2 subsequently determined to be untimely or to have been paid
3 on behalf of an individual ineligible for the program shall
4 be refunded to the remitter in accordance with rules adopted
5 by the department. Premiums collected under this subsection
6 shall be deposited in the premiums subaccount of the account
7 for health care transformation created pursuant to section
8 249J.23. An expansion population member shall also pay the
9 same copayments required of other adult recipients of medical
10 assistance.

11 2. The department may reduce the required out-of-pocket
12 expenditures for an individual expansion population member
13 based upon the member's increased wellness activities such
14 as smoking cessation or compliance with the personal health
15 improvement plan completed by the member. The department shall
16 also waive the required out-of-pocket expenditures for an
17 individual expansion population member based upon a hardship
18 that would accrue from imposing such required expenditures.
19 Information regarding the premium payment obligation and
20 the hardship exemption, including the process by which a
21 prospective enrollee may apply for the hardship exemption,
22 shall be provided to a prospective enrollee at the time of
23 application. The prospective enrollee shall acknowledge, in
24 writing, receipt and understanding of the information provided.

25 ~~3. The department shall submit to the governor and the~~
26 ~~general assembly by March 15, 2006, a design for each of the~~
27 ~~following:~~

28 ~~a. An insurance cost subsidy program for expansion~~
29 ~~population members who have access to employer health insurance~~
30 ~~plans, provided that the design shall require that no less than~~
31 ~~fifty percent of the cost of such insurance shall be paid by~~
32 ~~the employer.~~

33 ~~b. A health care account program option for individuals~~
34 ~~eligible for enrollment in the expansion population. The~~
35 ~~health care account program option shall be available only~~

1 ~~to adults who have been enrolled in the expansion population~~
2 ~~for at least twelve consecutive calendar months. Under the~~
3 ~~health care account program option, the individual would~~
4 ~~agree to exchange one year's receipt of benefits under the~~
5 ~~expansion population, to which the individual would otherwise~~
6 ~~be entitled, for a credit to obtain any medical assistance~~
7 ~~program covered service up to a specified amount. The balance~~
8 ~~in the health care account at the end of the year, if any, would~~
9 ~~be available for withdrawal by the individual.~~

10 4. 3. The department shall track the ~~impact of~~
11 ~~the out-of-pocket expenditures on~~ by expansion population
12 ~~enrollment members~~ and shall report the findings data on
13 ~~at least a quarterly basis to the medical assistance~~
14 ~~projections and assessment council established pursuant~~
15 ~~to section 249J.20~~ the department's internet website. The
16 ~~findings report~~ shall include estimates of the number of
17 expansion population members complying and not complying with
18 payment of required out-of-pocket expenditures, ~~the number~~
19 ~~of expansion population members not complying with payment~~
20 ~~of required out-of-pocket expenditures and the reasons for~~
21 ~~noncompliance, any impact as a result of the out-of-pocket~~
22 ~~requirements on the provision of services to the populations~~
23 ~~previously served, the administrative time and cost associated~~
24 ~~with administering the out-of-pocket requirements, and~~
25 ~~the benefit to the state resulting from the out-of-pocket~~
26 expenditures. To the extent possible, the department shall
27 track the income level of the member, the health condition of
28 the member, and the family status of the member relative to the
29 out-of-pocket information.

30 Sec. 7. Section 249J.9, Code 2009, is amended to read as
31 follows:

32 **249J.9 Future expansion population, benefits, and provider**
33 **network growth.**

34 ~~1. *Population.* The department shall contract with the~~
35 ~~division of insurance of the department of commerce or another~~

~~1 appropriate entity to track, on an annual basis, the number of
2 uninsured and underinsured Iowans, the cost of private market
3 insurance coverage, and other barriers to access to private
4 insurance for Iowans. Based on these findings and available
5 funds, the department shall make recommendations, annually,
6 to the governor and the general assembly regarding further
7 expansion of the expansion population.~~

8 ~~2.~~ 1. *Benefits.*

9 *a.* The department shall not provide services to expansion
10 population members that are in addition to the services
11 originally designated by the department pursuant to section
12 249J.6, without express authorization provided by the general
13 assembly.

14 *b.* The department, upon the recommendation of the clinicians
15 advisory panel established pursuant to section 249J.18, may
16 change the scope and duration of any of the available expansion
17 population services, but this subsection shall not be construed
18 to authorize the department to make expenditures in excess
19 of the amount appropriated for benefits for the expansion
20 population.

21 ~~3.~~ 2. *Expansion population provider network.*

22 *a.* The department shall not expand the expansion population
23 provider network unless the department is able to pay for
24 expansion population services provided by such providers at the
25 full benefit recipient rates.

26 *b.* The department may limit access to the expansion
27 population provider network by the expansion population to the
28 extent the department deems necessary to meet the financial
29 obligations to each provider under the expansion population
30 provider network. This subsection shall not be construed to
31 authorize the department to make any expenditure in excess
32 of the amount appropriated for benefits for the expansion
33 population.

34 Sec. 8. Section 249J.10, subsection 2, Code 2009, is amended
35 to read as follows:

1 2. The department ~~of human services shall~~ may include in
2 its annual budget submission, recommendations relating to a
3 disproportionate share hospital and graduate medical education
4 allocation plan that maximizes the availability of federal
5 funds for payments to hospitals for the care and treatment of
6 indigent patients.

7 Sec. 9. Section 249J.11, Code 2009, is amended to read as
8 follows:

9 **249J.11 Nursing facility level of care determination for**
10 **facility-based and community-based services.**

11 The department shall amend the medical assistance state plan
12 to provide for all of the following:

13 1. That nursing facility level of care services under the
14 medical assistance program shall be available to an individual
15 admitted to a nursing facility ~~on or after July 1, 2005~~, who
16 meets eligibility criteria for the medical assistance program
17 pursuant to section 249A.3, if the individual also meets any of
18 the following criteria:

19 a. Based upon the minimum data set, the individual requires
20 limited assistance, extensive assistance, or has total
21 dependence on assistance, provided by the physical assistance
22 of one or more persons, with three or more activities of daily
23 living as defined by the minimum data set, section G, entitled
24 "physical functioning and structural problems".

25 b. Based on the minimum data set, the individual requires
26 the establishment of a safe, secure environment due to moderate
27 or severe impairment of cognitive skills for daily decision
28 making.

29 c. The individual has established a dependency requiring
30 residency in a medical institution for more than one year.

31 2. That ~~an individual admitted to a nursing facility~~
32 ~~prior to July 1, 2005~~, and an individual applying for home
33 and community-based services waiver services at the nursing
34 facility level of care ~~on or after July 1, 2005~~, who meets
35 the eligibility criteria for the medical assistance program

1 pursuant to section 249A.3, shall also meet any of the
2 following criteria:

3 *a.* Based on the minimum data set, the individual requires
4 supervision, or limited assistance, provided on a daily basis
5 by the physical assistance of at least one person, for dressing
6 and personal hygiene activities of daily living as defined by
7 the minimum data set, section G, entitled "physical functioning
8 and structural problems".

9 *b.* Based on the minimum data set, the individual requires
10 the establishment of a safe, secure environment due to modified
11 independence or moderate impairment of cognitive skills for
12 daily decision making.

13 3. That, ~~beginning July 1, 2005,~~ if nursing facility
14 level of care is determined to be medically necessary for an
15 individual and the individual meets the nursing facility level
16 of care requirements for home and community-based services
17 waiver services under subsection 2, but appropriate home and
18 community-based services are not available to the individual in
19 the individual's community at the time of the determination or
20 the provision of available home and community-based services
21 to meet the skilled care requirements of the individual is not
22 cost-effective, the criteria for admission of the individual to
23 a nursing facility for nursing facility level of care services
24 shall be the criteria in effect on June 30, ~~2005~~ 2010. The
25 department of human services shall establish the standard for
26 determining cost-effectiveness of home and community-based
27 services under this subsection.

28 4. The department shall develop a process to allow
29 individuals identified under subsection 3 to be served under
30 the home and community-based services waiver at such time as
31 appropriate home and community-based services become available
32 in the individual's community.

33 Sec. 10. Section 249J.13, Code 2009, is amended to read as
34 follows:

35 **249J.13 Children's mental health waiver services.**

1 The department shall provide medical assistance waiver
2 services to ~~not more than three hundred~~ children who meet
3 the eligibility criteria for the medical assistance program
4 pursuant to section 249A.3, and also meet the criteria
5 specified in section 234.7, subsection 2.

6 Sec. 11. Section 249J.14, Code 2009, is amended to read as
7 follows:

8 **249J.14 Health promotion partnerships.**

9 ~~1. *Services for adults at state mental health*~~
10 ~~*institutes.*~~ Beginning July 1, 2005, inpatient and outpatient
11 hospital services at the state hospitals for persons with
12 mental illness designated pursuant to section 226.1 shall be
13 covered services under the medical assistance program.

14 ~~2. 1. *Dietary counseling.*~~ By July 1, 2006 If a
15 cost-effective strategy with a measurable return on investment
16 or an impact on health care outcomes is identified, the
17 department shall may design and ~~begin implementation~~
18 ~~of~~ implement a strategy to provide dietary counseling and
19 support to child and adult recipients of medical assistance and
20 to expansion population members to assist these recipients and
21 members in avoiding excessive weight gain or loss and to assist
22 in development of personal weight loss programs for recipients
23 and members determined by the recipient's or member's health
24 care provider to be clinically overweight.

25 ~~3. 2. *Electronic medical records Medical assistance*~~
26 ~~*health information technology program.*~~ By October 1, 2006,
27 the The department shall develop a ~~practical strategy for~~
28 ~~expanding utilization of electronic medical recordkeeping~~
29 ~~by providers under the medical assistance program and the~~
30 ~~expansion population provider network.~~ The plan shall
31 ~~focus, initially,~~ on medical assistance program recipients
32 and expansion population members whose quality of care would
33 ~~be significantly enhanced by the availability of~~ medical
34 assistance health information technology program for promoting
35 the adoption and meaningful use of electronic medical

1 recordkeeping by providers under the medical assistance program
2 and the Iowa Medicaid enterprise pursuant to the federal
3 American Recovery and Reinvestment Act of 2009, Pub. L. No.
4 111-5. The department shall do all of the following:

5 a. Design and implement a program for distribution
6 and monitoring of provider incentive payments, including
7 development of a definition of "meaningful use" for purposes
8 of promoting the use of electronic medical recordkeeping by
9 providers. The department shall develop this program in
10 collaboration with the department of public health and the
11 electronic health information advisory council and executive
12 committee created pursuant to section 135.156.

13 b. Develop the medical assistance health information
14 technology plan as required by the centers for Medicare and
15 Medicaid services of the United States department of health and
16 human services. The plan shall provide detailed implementation
17 plans for the medical assistance program for promotion of the
18 adoption and meaningful use of health information technology by
19 medical assistance providers and the Iowa Medicaid enterprise.
20 The plan shall include the integration of health information
21 technology and health information exchange with the medical
22 assistance management information system. The plan shall be
23 developed in collaboration with the department of public health
24 and the electronic health information advisory council and
25 executive committee created pursuant to section 135.156.

26 ~~4. 3. Provider incentive payment programs. By January 1,~~
27 ~~2007~~ If a cost-effective strategy with a measurable return on
28 investment or an impact on health care outcomes is identified,
29 ~~the department shall~~ may ~~design and implement a provider~~
30 ~~incentive payment program for providers under the medical~~
31 ~~assistance program and providers included in the expansion~~
32 ~~population provider network based upon evaluation of public and~~
33 ~~private sector models.~~

34 ~~5. Health assessment for medical assistance recipients~~
35 ~~with mental retardation or developmental disabilities. The~~

1 ~~department shall work with the university of Iowa colleges of~~
2 ~~medicine, dentistry, nursing, pharmacy, and public health,~~
3 ~~and the university of Iowa hospitals and clinics to determine~~
4 ~~whether the physical and dental health of recipients of~~
5 ~~medical assistance who are persons with mental retardation~~
6 ~~or developmental disabilities are being regularly and~~
7 ~~fully addressed and to identify barriers to such care. The~~
8 ~~department shall report the department's findings to the~~
9 ~~governor and the general assembly by January 1, 2007.~~

10 ~~6.~~ 4. Smoking cessation. The department, in collaboration
11 with Iowa department of public health programs relating to
12 tobacco use prevention and cessation, shall implement a program
13 with the goal of reducing smoking among recipients of medical
14 assistance who are children to less than one percent and among
15 recipients of medical assistance and expansion population
16 members who are adults to less than ten percent, by July 1,
17 2007.

18 ~~7.~~ 5. Dental home for children. The department shall
19 enter into an interagency agreement with the department of
20 public health for infrastructure development and oral health
21 coordination services for recipients of medical assistance
22 to increase access to dental care for medical assistance
23 recipients. By December 31, ~~2010~~ 2011, every recipient of
24 medical assistance who is a child twelve years of age or
25 younger shall have a designated dental home and shall be
26 provided with the dental screenings, preventive services,
27 diagnostic services, treatment services, and emergency services
28 as defined under the early and periodic screening, diagnostic,
29 and treatment program.

30 ~~8.~~ 6. Reports. The department shall issue a report on
31 the department's internet website on a quarterly basis ~~to~~
32 ~~the medical assistance projections and assessment council~~
33 ~~established pursuant to section 249J.20 and the medical~~
34 ~~assistance advisory council created pursuant to section~~
35 ~~249A.4B,~~ regarding the any changes or updates to the health

1 promotion partnerships described in this section. To the
2 greatest extent feasible, and if applicable to a data set,
3 the data reported shall include demographic information
4 concerning the population served including but not limited to
5 ~~factors, such as race and~~ economic status, as specified by the
6 department.

7 Sec. 12. Section 249J.16, Code 2009, is amended to read as
8 follows:

9 **249J.16 Cost and quality performance evaluation.**

10 ~~Beginning July 1, 2005, the~~ The department shall ~~contract~~
11 ~~with an independent consulting firm to~~ do all of the following:

12 1. Annually Prior to initiating reprocurement of Iowa
13 Medicaid enterprise contracts, evaluate and compare the cost
14 and quality of care provided by the medical assistance program
15 and through the expansion population with the cost and quality
16 of care available through private insurance and managed care
17 organizations doing business in the state.

18 2. Annually evaluate the improvements by the medical
19 assistance program and the expansion population in the cost
20 and quality of services provided to Iowans over the cost and
21 quality of care provided in the prior year.

22 Sec. 13. Section 249J.17, Code 2009, is amended to read as
23 follows:

24 **249J.17 Operations — performance evaluation.**

25 ~~Beginning July 1, 2006, the~~ The department shall
26 ~~submit~~ publish on its internet website a report of the ~~results~~
27 ~~of an evaluation of the performance of each component of the~~
28 Iowa Medicaid enterprise using the performance standards
29 contained in the contracts with the Iowa Medicaid enterprise
30 partners.

31 Sec. 14. Section 249J.18, Code 2009, is amended to read as
32 follows:

33 **249J.18 Clinicians advisory panel — clinical management.**

34 1. ~~Beginning July 1, 2005, the~~ The medical director
35 of the Iowa Medicaid enterprise, with the approval of the

1 administrator of the division of medical services of the
2 department, shall assemble and act as chairperson for a
3 clinicians advisory panel to recommend to the department
4 clinically appropriate health care utilization management and
5 coverage decisions for the medical assistance program and the
6 expansion population which are not otherwise addressed by the
7 Iowa medical assistance drug utilization review commission
8 created pursuant to section 249A.24 or the medical assistance
9 pharmaceutical and therapeutics committee established pursuant
10 to section 249A.20A. The meetings shall be conducted in
11 accordance with chapter 21 and shall be open to the public
12 except to the extent necessary to prevent the disclosure of
13 confidential medical information.

14 ~~2. The medical director of the Iowa Medicaid enterprise~~
15 ~~shall report on a quarterly basis to the medical assistance~~
16 ~~projections and assessment council established pursuant to~~
17 ~~section 249J.20 and the medical assistance advisory council~~
18 ~~created pursuant to section 249A.4B, any recommendations made~~
19 ~~by the panel and adopted by rule of the department pursuant~~
20 ~~to chapter 17A regarding clinically appropriate health~~
21 ~~care utilization management and coverage under the medical~~
22 ~~assistance program and the expansion population.~~

23 ~~3.~~ 2. The medical director of the Iowa Medicaid enterprise
24 shall prepare an annual report summarizing the recommendations
25 made by the panel and adopted by rule of the department
26 regarding clinically appropriate health care utilization
27 management and coverage under the medical assistance program
28 and the expansion population.

29 Sec. 15. Section 249J.19, Code 2009, is amended to read as
30 follows:

31 **249J.19 Health care services pricing and reimbursement of**
32 **providers.**

33 The department ~~shall~~ may annually collect data on
34 third-party payor rates in the state and, as appropriate,
35 the usual and customary charges of health care providers,

1 including the reimbursement rates paid to providers and by
2 third-party payors participating in the medical assistance
3 program and through the expansion population. The department
4 shall consult with the division of insurance of the department
5 of commerce in adopting administrative rules specifying the
6 reporting format and guaranteeing the confidentiality of the
7 information provided by the providers and third-party payors.
8 ~~The~~ If collected, the department shall review the data and
9 make recommendations to the governor and the general assembly
10 regarding pricing changes and reimbursement rates annually
11 by January 1. Any recommended pricing changes or changes in
12 reimbursement rates shall not be implemented without express
13 authorization by the general assembly.

14 Sec. 16. Section 249J.21, Code 2009, is amended to read as
15 follows:

16 **249J.21 Payments to health care providers ~~based on actual~~**
17 **~~costs.~~**

18 ~~Payments, including graduate medical education payments,~~
19 ~~under the medical assistance program and the expansion~~
20 ~~population to each public hospital and each public nursing~~
21 ~~facility shall not exceed the actual medical assistance costs~~
22 ~~of each such facility reported on the Medicare hospital and~~
23 ~~hospital health care complex cost report submitted to the~~
24 ~~centers for Medicare and Medicaid services of the United States~~
25 ~~department of health and human services. Each public hospital~~
26 ~~and each public nursing facility shall retain one hundred~~
27 ~~percent of the medical assistance payments earned under state~~
28 ~~reimbursement rules. State reimbursement rules may provide for~~
29 ~~reimbursement at less than actual cost.~~

30 Sec. 17. Section 249J.22, Code 2009, is amended to read as
31 follows:

32 **249J.22 Independent annual audit.**

33 The department shall contract with a certified public
34 accountant to provide an analysis, on an annual basis, to the
35 governor and the general assembly regarding compliance of the

1 Iowa medical assistance program with each of the following:

2 1. That the state has not instituted any new provider taxes
3 as defined by the centers for Medicare and Medicaid services
4 of the United States department of health and human services,
5 unless otherwise authorized by state law and approved by the
6 centers for Medicare and Medicaid services.

7 ~~2. That public hospitals and public nursing facilities~~
8 ~~are not paid more than the actual costs of care for medical~~
9 ~~assistance program and disproportionate share hospital program~~
10 ~~recipients based upon Medicare program principles of accounting~~
11 ~~and cost reporting.~~

12 ~~3.~~ 2. That the state is not recycling federal funds
13 provided under Title XIX of the Social Security Act as defined
14 by the centers for Medicare and Medicaid services of the United
15 States department of health and human services.

16 Sec. 18. Section 249J.23, subsection 3, Code 2009, is
17 amended to read as follows:

18 3. Moneys deposited in the account for health care
19 transformation shall be used only as provided in appropriations
20 from the account for the costs associated with certain services
21 provided to the expansion population pursuant to section
22 ~~249J.6, certain initiatives to be designed pursuant to section~~
23 ~~249J.8, the case mix adjusted reimbursement system for persons~~
24 ~~with mental retardation or developmental disabilities pursuant~~
25 ~~to section 249J.12, certain health promotion partnership~~
26 activities pursuant to section 249J.14, the cost and quality
27 performance evaluation pursuant to section 249J.16, auditing
28 requirements pursuant to section 249J.22, the provision
29 of additional indigent patient care and treatment, and
30 administrative costs associated with this chapter.

31 Sec. 19. Section 249J.24, Code Supplement 2009, is amended
32 to read as follows:

33 **249J.24 IowaCare account.**

34 1. An IowaCare account is created in the state treasury
35 under the authority of the department of human services.

1 Moneys appropriated from the general fund of the state to the
2 account, moneys received as federal financial participation
3 funds under the expansion population provisions of this
4 chapter and credited to the account, moneys received for
5 disproportionate share hospitals and credited to the account,
6 moneys received for graduate medical education and credited to
7 the account, proceeds distributed from the county treasurer as
8 specified in subsection 6 4, and moneys from any other source
9 credited to the account shall be deposited in the account.

10 Moneys deposited in or credited to the account shall be used
11 only as provided in appropriations or distributions from the
12 account for the purposes specified in the appropriation or
13 distribution. Moneys in the account shall be appropriated to
14 the university of Iowa hospitals and clinics, and to a publicly
15 owned acute care teaching hospital located in a county with a
16 population over three hundred fifty thousand, ~~and to the state~~
17 ~~hospitals for persons with mental illness designated pursuant~~
18 ~~to section 226.1~~ for the purposes provided in the federal
19 law making the funds available or as specified in the state
20 appropriation and shall be distributed as determined by the
21 department.

22 2. The account shall be separate from the general fund
23 of the state and shall not be considered part of the general
24 fund of the state. The moneys in the account shall not be
25 considered revenue of the state, but rather shall be funds of
26 the account. The moneys in the account are not subject to
27 section 8.33 and shall not be transferred, used, obligated,
28 appropriated, or otherwise encumbered, except to provide for
29 the purposes of this chapter. Notwithstanding section 12C.7,
30 subsection 2, interest or earnings on moneys deposited in the
31 account shall be credited to the account.

32 3. The department shall adopt rules pursuant to chapter 17A
33 to administer the account.

34 ~~4. The treasurer of state shall provide a quarterly report~~
35 ~~of activities and balances of the account to the director.~~

1 ~~5. Notwithstanding section 262.28 or any provision of this~~
2 ~~chapter to the contrary, payments to be made to participating~~
3 ~~public hospitals under this section shall be made on a~~
4 ~~prospective basis in twelve equal monthly installments based~~
5 ~~upon the amount appropriated or allocated, as applicable to a~~
6 ~~specific public hospital, in a specific fiscal year. After the~~
7 ~~close of the fiscal year, the department shall determine the~~
8 ~~amount of the payments attributable to the state general fund,~~
9 ~~federal financial participation funds collected for expansion~~
10 ~~population services, graduate medical education funds, and~~
11 ~~disproportionate share hospital funds, based on claims data and~~
12 ~~actual expenditures.~~

13 ~~6.~~ 4. *a.* Notwithstanding any provision to the contrary,
14 for the collection of taxes levied under section 347.7 ~~for~~
15 ~~which the collection is performed after July 1, 2005, the~~
16 county treasurer of a county with a population over three
17 hundred fifty thousand in which a publicly owned acute care
18 teaching hospital is located shall distribute the proceeds
19 collected pursuant to section 347.7 in a total amount of
20 ~~thirty-four~~ thirty-eight million dollars annually, which
21 would otherwise be distributed to the county hospital, to the
22 treasurer of state for deposit in the IowaCare account under
23 this section as follows:

24 (1) The first ~~seventeen~~ nineteen million dollars in
25 collections pursuant to section 347.7 between July 1 and
26 December 31 annually shall be distributed to the treasurer
27 of state for deposit in the IowaCare account and collections
28 during this time period in excess of ~~seventeen~~ nineteen million
29 dollars shall be distributed to the acute care teaching
30 hospital identified in this subsection.

31 (2) The first ~~seventeen~~ nineteen million dollars in
32 collections pursuant to section 347.7 between January 1 and
33 June 30 annually shall be distributed to the treasurer of state
34 for deposit in the IowaCare account and collections during this
35 time period in excess of ~~seventeen~~ nineteen million dollars

1 shall be distributed to the acute care teaching hospital
2 identified in this subsection.

3 *b.* The board of trustees of the acute care teaching hospital
4 identified in this subsection and the department shall execute
5 an agreement under chapter 28E ~~by July 1, 2005, and annually~~
6 ~~by July 1, thereafter,~~ to specify the requirements relative to
7 distribution of the proceeds and the distribution of moneys to
8 the hospital from the IowaCare account. The agreement shall
9 include provisions relating to exceptions to the deadline for
10 submission of clean claims as required pursuant to section
11 249J.7 and provisions relating to data reporting requirements
12 regarding the expansion population. The agreement may also
13 include a provision allowing such hospital to limit access
14 to such hospital by expansion population members based on
15 residency of the member, if such provision reflects the policy
16 of such hospital regarding indigent patients ~~existing on April~~
17 ~~1, 2005,~~ as adopted by its board of hospital trustees.

18 *c.* Notwithstanding the specified amount of proceeds to be
19 distributed under this subsection, if the amount allocated that
20 does not require federal matching funds under an appropriation
21 in a subsequent fiscal year to such hospital for medical and
22 surgical treatment of indigent patients, for provision of
23 services to expansion population members, and for medical
24 education, is reduced from the amount allocated that does not
25 require federal matching funds under the appropriation for
26 the fiscal year beginning July 1, ~~2005~~ 2010, the amount of
27 proceeds required to be distributed under this subsection in
28 that subsequent fiscal year shall be reduced in the same amount
29 as the amount allocated that does not require federal matching
30 funds under that appropriation.

31 ~~7. The state board of regents, on behalf of the university~~
32 ~~of Iowa hospitals and clinics, and the department shall execute~~
33 ~~an agreement under chapter 28E by July 1, 2005, and annually~~
34 ~~by July 1, thereafter, to specify the requirements relating~~
35 ~~to distribution of moneys to the hospital from the IowaCare~~

1 ~~account. The agreement shall include provisions relating to~~
2 ~~exceptions to the deadline for submission of clean claims as~~
3 ~~required pursuant to section 249J.7 and provisions relating to~~
4 ~~data reporting requirements regarding the expansion population.~~

5 ~~8.~~ 5. The state and any county utilizing the acute care
6 teaching hospital located in a county with a population over
7 three hundred fifty thousand for mental health services ~~prior~~
8 ~~to July 1, 2005~~, shall annually enter into an agreement with
9 such hospital to pay a per diem amount that is not less than the
10 per diem amount paid for those mental health services in effect
11 for the fiscal year beginning July 1, ~~2004~~ 2010, for each
12 individual including each expansion population member accessing
13 mental health services at that hospital ~~on or after July 1,~~
14 ~~2005~~. Any payment made under such agreement for an expansion
15 population member pursuant to this chapter shall be considered
16 by the department to be payment by a third-party payor.

17 Sec. 20. Section 249J.25, Code 2009, is amended to read as
18 follows:

19 **249J.25 Limitations.**

20 1. The provisions of this chapter shall not be construed,
21 are not intended as, and shall not imply a grant of entitlement
22 for services to individuals who are eligible for assistance
23 under this chapter or for utilization of services that do not
24 exist or are not otherwise available on July 1, ~~2005~~ 2010.

25 Any state obligation to provide services pursuant to this
26 chapter is limited to the extent of the funds appropriated or
27 distributed for the purposes of this chapter.

28 2. The provisions of this chapter shall not be construed
29 and are not intended to affect the provision of services to
30 recipients of medical assistance existing on July 1, ~~2005~~ 2010.

31 Sec. 21. Section 249J.26, Code 2009, is amended to read as
32 follows:

33 **249J.26 Audit — future repeal.**

34 1. The state auditor shall complete an audit of the
35 provisions implemented pursuant to this chapter during the

1 fiscal year beginning July 1, ~~2009~~ 2012, and shall submit the
2 results of the audit to the governor and the general assembly
3 by January 1, ~~2010~~ 2013.

4 2. This chapter is repealed ~~June 30, 2010~~ October 31, 2013.
5 Sec. 22. REPEAL. Sections 249J.12 and 249J.15, Code 2009,
6 are repealed.

7 DIVISION II

8 CONFORMING PROVISIONS

9 Sec. 23. Section 135.159, subsection 9, Code Supplement
10 2009, is amended to read as follows:

11 9. The department shall coordinate the requirements and
12 activities of the medical home system with the requirements
13 and activities of the dental home for children as described in
14 section 249J.14, ~~subsection 7~~, and shall recommend financial
15 incentives for dentists and nondental providers to promote
16 oral health care coordination through preventive dental
17 intervention, early identification of oral disease risk, health
18 care coordination and data tracking, treatment, chronic care
19 management, education and training, parental guidance, and oral
20 health promotions for children.

21 Sec. 24. Section 218.78, subsection 1, Code 2009, is amended
22 to read as follows:

23 1. All institutional receipts of the department of human
24 services, including funds received from client participation
25 at the state resource centers under section 222.78 and at the
26 state mental health institutes under section 230.20, shall be
27 deposited in the general fund except for reimbursements for
28 services provided to another institution or state agency, for
29 receipts deposited in the revolving farm fund under section
30 904.706, for deposits into the medical assistance fund under
31 section 249A.11, ~~for any deposits into the medical assistance~~
32 ~~fund of any medical assistance payments received through the~~
33 ~~expansion population program pursuant to chapter 249J~~, and
34 rentals charged to employees or others for room, apartment, or
35 house and meals, which shall be available to the institutions.

1 Sec. 25. Section 230.20, subsection 2, paragraph a, Code
2 2009, is amended to read as follows:

3 a. The superintendent shall certify to the department the
4 billings to each county for services provided to patients
5 chargeable to the county during the preceding calendar quarter.
6 The county billings shall be based on the average daily
7 patient charge and other service charges computed pursuant
8 to subsection 1, and the number of inpatient days and other
9 service units chargeable to the county. However, a county
10 billing shall be decreased by an amount equal to reimbursement
11 by a third party payor or estimation of such reimbursement
12 from a claim submitted by the superintendent to the third
13 party payor for the preceding calendar quarter. When the
14 actual third party payor reimbursement is greater or less
15 than estimated, the difference shall be reflected in the
16 county billing in the calendar quarter the actual third party
17 payor reimbursement is determined. ~~For the purposes of this~~
18 ~~paragraph, "third party payor reimbursement" does not include~~
19 ~~reimbursement provided under chapter 249J.~~

20 Sec. 26. Section 230.20, subsections 5 and 6, Code 2009, are
21 amended to read as follows:

22 5. An individual statement shall be prepared for a patient
23 on or before the fifteenth day of the month following the month
24 in which the patient leaves the mental health institute, and a
25 general statement shall be prepared at least quarterly for each
26 county to which charges are made under this section. Except as
27 otherwise required by sections 125.33 and 125.34 the general
28 statement shall list the name of each patient chargeable to
29 that county who was served by the mental health institute
30 during the preceding month or calendar quarter, the amount due
31 on account of each patient, and the specific dates for which
32 any third party payor reimbursement received by the state is
33 applied to the statement and billing, and the county shall
34 be billed for eighty percent of the stated charge for each
35 patient specified in this subsection. ~~For the purposes of this~~

1 subsection, "~~third party payor reimbursement~~" does not include
2 reimbursement provided under chapter 249J. The statement
3 prepared for each county shall be certified by the department
4 and a duplicate statement shall be mailed to the auditor of
5 that county.

6 6. All or any reasonable portion of the charges incurred
7 for services provided to a patient, to the most recent date
8 for which the charges have been computed, may be paid at any
9 time by the patient or by any other person on the patient's
10 behalf. Any payment made by the patient or other person,
11 and any federal financial assistance received pursuant to
12 Title XVIII or XIX of the federal Social Security Act for
13 services rendered to a patient, shall be credited against the
14 patient's account and, if the charges paid as described in this
15 subsection have previously been billed to a county, reflected
16 in the mental health institute's next general statement to that
17 county. ~~However, any payment made under chapter 249J shall~~
18 ~~not be reflected in the mental health institute's next general~~
19 ~~statement to that county.~~

20 Sec. 27. Section 249A.11, Code 2009, is amended to read as
21 follows:

22 **249A.11 Payment for patient care segregated.**

23 A state resource center or mental health institute, upon
24 receipt of any payment made under this chapter for the care of
25 any patient, shall segregate an amount equal to that portion of
26 the payment which is required by law to be made from nonfederal
27 funds ~~except for any nonfederal funds received through the~~
28 ~~expansion population program pursuant to chapter 249J which~~
29 ~~shall be deposited in the IowaCare account created pursuant~~
30 ~~to section 249J.24.~~ The money segregated shall be deposited
31 in the medical assistance fund of the department of human
32 services.

33 Sec. 28. REPEAL. Chapter 219, Code 2009, is repealed.

34 EXPLANATION

35 This bill provides for the renewal of the IowaCare program

1 which was established pursuant to a Medicaid program waiver in
2 2005 and is subject to repeal or renewal beginning June 30,
3 2010.

4 The bill eliminates outdated references; eliminates
5 provisions relating to the state hospitals for mental illness
6 for which funding provisions were phased out during the
7 initial waiver period; updates provisions relating to existing
8 services, financial participation in the program, and health
9 promotion partnerships; updates provisions relating to dental
10 homes for children; changes data and reporting requirements for
11 the program; updates provisions relating to the county tax levy
12 amount dedicated to the IowaCare program to reflect current
13 practice; and provides for the repeal of the Code chapter
14 on October 31, 2013. The bill also makes other conforming
15 changes.